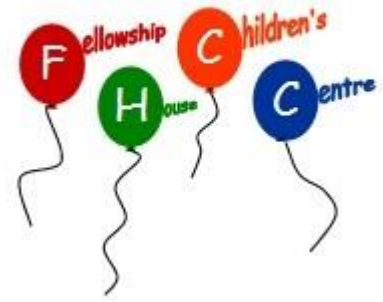


# FHCC Annual Report

2018 - 2019



Fellowship House Children's Centre has had a wonderful year as a children's centre and organisation. The improvements carried out over the past year have helped with the finance.

The nursery has moved a step closer in trying to achieve the London Living Wage for all its front-line staff. We hope to achieve our target for March 2020. For the nursery to achieve its goal, the nursery fees had to increase in March 2019 where the new committee with the nursery management worked out a method which will enable the children's fee and staff salary to be easily understood and making it much more transparent. The staff now get paid a salary which encourages them to work for Fellowship House as well as the children's fee being competitive with other nurseries in the local area. The reaction to this has been encouraging, where we have an increased interest from parents wanting their children to be part of Fellowship House.

The committee are working hard behind the scenes to improve the centre; refurbishment of the children's washroom has been carried out, new gates have been installed in the garden, a new cleaning company have been employed, a new camera system installed, sign-in facilities for the staff installed and the committee intend to carry out further work by the end of 2019.

The nursery management have been in transition where the long-term finance manager Else Freston is to retire, she has been working tremendously hard to pass on her expertise to deputy manager Kassandra Manyasa. As a collective, the committee and nursery management are working with the parents to improve the curriculum, policies, procedures, security, health and safety and other areas to ensure the children get the best education and start to life.

The committee alongside the nursery management are setting targets for the next few years to ensure the finance is improved as well as making FHCC a first-choice nursery for parents, children and staff.

Riaz Patel

*Chair of FHCC Committee*

**FELLOWSHIP HOUSE CHILDREN'S CENTRE**  
**(A Company Limited by Guarantee)**

**UNAUDITED**

**COMMITTEE OF MANAGEMENT'S REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2019**

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**FELLOWSHIP HOUSE CHILDREN'S CENTRE**  
**(A Company Limited by Guarantee)**

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**FELLOWSHIP HOUSE CHILDREN'S CENTRE**  
(A Company Limited by Guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**Committee of  
Management**

Riaz Patel, Chair (appointed 6 December 2018)  
Reshma Ahmed  
Kassandra Manyasa  
Farzana Zaman, Staff Rep  
David Da Costa, Treasurer  
Else Freston  
Lynsey Healy, Parent Rep (appointed 6 December 2018)  
Lauianne Torres-Decenne, Secretary (appointed 6 December 2018)  
Linda Alex Armitage (appointed 6 December 2018)  
Sylvia Malo  
Lubomir Malo  
Christoph Hoffman (appointed 6 December 2018)  
Revd Dr Sue Lucas, Church Rep

**Company registered  
number**

04683961

**Charity registered  
number**

1098746

**Principal and registered  
office**

4a St. Bartholomew's Road  
East Ham  
London  
E6 3AG

**Company secretary**

Lauianne Torres-Decenne

**Chief executive officer**

Reshma Ahmed

**Independent Examiner**

MHA MacIntyre Hudson  
Chartered Accountants  
6th Floor  
2 London Wall Place  
London  
EC2Y 5AU

**Bankers**

Barclays Bank PLC  
737 Barking Road  
London  
E13 9PL

Virgin Money  
Gosforth  
Newcastle Upon Tyne  
NE3 4PL

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**FELLOWSHIP HOUSE CHILDREN'S CENTRE**  
(A Company Limited by Guarantee)

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**CHAIRS' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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The chairman presents his statement for the period.

Fellowship House Children's Centre has had wonderful year as a children's centre and organisation. The improvements carried out over the past year has helped with the finance.

The nursery has moved a step closer in trying to achieve the London Living Wage for all its front-line staff. We hope to achieve our target for March 2020. For the nursery to achieve its goal, the nursery fees had to increase in March 2019 where the new committee with the nursery management worked out a method which will enable the children's fee and staff salary to be easily understood and making it much more transparent. The staff now get paid a salary which encourages them to work for Fellowship House as well as the children's fee being competitive with other nurseries in the local area. The reaction to this has been encouraging, where we have an increased interest from parents wanting their children to be part of Fellowship House.

The committee are working hard behind the scenes to improve the centre; refurbishment of the children's washroom has been carried out, new gates have been installed in the garden, a new cleaning company have been employed, a new camera system installed, sign-in facilities for the staff installed and the committee intend to carry out further work by the end of 2019.

The nursery management have been in transition where the long-term finance manager Else Freston is to retire, she has been working tremendously hard to pass on her expertise to deputy manager Kassandra Manyusa. As a collective, the committee and nursery management are working with the parents to improve the curriculum, policies, procedures, security, health and safety and other areas to ensure the children get the best education and start to life.

The committee alongside the nursery management are setting targets for the next few years to ensure the finance is improved as well as making FHCC a first-choice nursery for parents, children and staff.

Name Riaz Patel  
Chair



Date 16-12-2019

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**FELLOWSHIP HOUSE CHILDREN'S CENTRE**  
(A company limited by guarantee)

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**COMMITTEE OF MANAGEMENTS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2019**

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The Trustee presents its annual report and financial statements of the charity for the year ended 31 March 2019. The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the Charity's Trust Deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) as updated through Update Bulletin 1 and 2.

**STRUCTURE, GOVERNANCE MANAGEMENT**

• **Constitution**

The charity is registered as a charitable Company limited by guarantee and was set up by a Memorandum of Association on 3 March 2003.

• **Method of appointment**

The management of the Charity is the responsibility of the Committee of Management who are elected and co-opted under the terms of the Articles of Association.

The members of the Committee of Management are appointed by the membership at the Annual General Meeting or co-opted between meetings. Serving members retire at the Annual General Meeting but are eligible for re-election.

The liability of members in the event of insolvent liquidation is limited to £1 each.

Day to day management of the charity is delegated to the Chief Executive who is responsible for the other staff.

• **Risk management**

The Committee of Management has assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

In particular the Committee is trying to mitigate the risk of under capacity, due to increased competition from private day care providers and schools offering children places at the age of three, by developing effective marketing strategies.

**OBJECTIVES AND ACTIVITIES**

The principle objects of the Charity are to advance the education of children below school age through nursery and playgroup facilities, principally in the London Borough of Newham.

• **Achievements and performance**

Fellowship House Children's Centre has had another successful year of delivering outstanding childcare and education for under 5's. The ground floor of the building is still fully occupied by the Nursery. The pension scheme is now fully up and running. The nursery makes a 3% contribution and staff members make a 4% contribution.

The nursery now pays for DBS checks that are carried out for all committee members.



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**FELLOWSHIP HOUSE CHILDREN'S CENTRE**  
(A company limited by guarantee)

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**COMMITTEE OF MANAGEMENTS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2019**

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• **Going concern**

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

• **Public benefit statement**

In setting objectives and planning for activities, the Committee of Management have given due consideration to general guidance published by the Charity Commission relating to public benefit.

**Financial review**

• **Reserves policy**

The Committee of Management has formulated a policy whereby in the long term general reserves held by the Charity should cover six months costs. This currently equates to approximately £280,000 (2018: £280,000) and would enable activities to continue in the short term should funding drop significantly.

At present the free reserves of £375,412 (2018: £367,283) substantially exceeds this target. However the Committee are aiming to increase staff salaries to bring in line with the new living wage as soon as possible. In calculating free reserves the Committee has excluded the restricted reserves and the designated reserves that represents fixed assets or reserves likely to be expended in full or in part within one year.

**PLANS FOR THE FUTURE**

The Committee envisages the activities to continue in a similar way to those as at present for the foreseeable future.

**MEMBERS' LIABILITY**

The Members of the Charity guarantee to contribute an amount not exceeding £1 to the assets of the Charity in the event of winding up.

**INDEPENDENT EXAMINER**

The Charity's independent examiner, Chris Harris of MHA Macintyre Hudson, has indicated his willingness to continue in office and offers himself for re-appointment at the next Annual General Meeting.

In preparing this report, the Committee of Management have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Committee of Management on <sup>16</sup>25/12/19 and signed on their behalf by:



.....  
**Riaz Patel**  
Chair

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**FELLOWSHIP HOUSE CHILDREN'S CENTRE**  
(A Company Limited by Guarantee)

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**INDEPENDENT EXAMINER'S REPORT  
FOR THE YEAR ENDED 31 MARCH 2019**

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**INDEPENDENT EXAMINER'S REPORT TO THE COMMITTEE OF MANAGEMENT OF FELLOWSHIP  
HOUSE CHILDREN'S CENTRE (the 'Charity')**

I report to the charity Committee of Management on my examination of the accounts of the Charity for the year ended 31 March 2019.

This report is made solely to the Charity's Committee of Management, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Charity's Committee of Management those matters I am required to state to them in an Independent Examiner's Report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Committee of Management as a body, for my work or for this report.

**RESPONSIBILITIES AND BASIS OF REPORT**

As the Committee of Management of the Charity (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Charity's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

**INDEPENDENT EXAMINER'S STATEMENT**

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Chartered Institute of Public Finance and Accountancy, which is one of the listed bodies.

I have completed my examination. I can confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Charity as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:



Dated:

23 December 2019

Chris Harris CPFA

MHA MacIntyre Hudson, 6th Floor, 2 London Wall Place, London, EC2Y 5AU



**FELLOWSHIP HOUSE CHILDREN'S CENTRE**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

	Note	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>INCOME FROM:</b>				
Donations and grants	2	138,560	138,560	101,203
Charitable activities	3	439,083	439,083	407,262
Other trading activities	4	347	347	140
Investments	5	2,180	2,180	1,676
<b>TOTAL INCOME</b>		<b>580,170</b>	<b>580,170</b>	<b>510,281</b>
<b>EXPENDITURE ON:</b>				
Charitable activities	6	562,041	562,041	559,305
<b>TOTAL EXPENDITURE</b>		<b>562,041</b>	<b>562,041</b>	<b>559,305</b>
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>18,129</b>	<b>18,129</b>	<b>(49,024)</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>18,129</b>	<b>18,129</b>	<b>(49,024)</b>
<b>RECONCILIATION OF FUNDS:</b>				
Total funds brought forward	15	377,677	377,677	426,701
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>395,806</b>	<b>395,806</b>	<b>377,677</b>

All income and expenditure derive from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised during the year.

In 2018 all income and expenditure was to / from unrestricted funds.

The notes on pages 9 to 21 form part of these financial statements.

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**FELLOWSHIP HOUSE CHILDREN'S CENTRE****(A Company Limited by Guarantee)****REGISTERED NUMBER: 04683961**

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**BALANCE SHEET  
AS AT 31 MARCH 2019**

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	Note	£	2019 £	£	2018 £
<b>FIXED ASSETS</b>					
Tangible assets	12		<b>20,394</b>		10,394
<b>CURRENT ASSETS</b>					
Debtors	13	4,638		8,792	
Cash at bank and in hand		400,691		381,841	
		<b>405,329</b>		<b>390,633</b>	
<b>CREDITORS:</b> amounts falling due within one year	14	(29,917)		(23,350)	
<b>NET CURRENT ASSETS</b>			<b>375,412</b>		367,283
<b>NET ASSETS</b>			<b>395,806</b>		<b>377,677</b>
<b>CHARITY FUNDS</b>					
Unrestricted funds	15		<b>395,806</b>		377,677
<b>TOTAL FUNDS</b>			<b>395,806</b>		<b>377,677</b>

The Charity's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The Committee of Management consider that the Charity is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the Charity to obtain an audit for the year in question in accordance with section 476 of the Act.

The Committee of Management acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the Committee of Management on 20/12/19 and signed on their behalf, by:

  
.....  
**Riaz Patel, Chair**

The notes on pages 9 to 21 form part of these financial statements.

**FELLOWSHIP HOUSE CHILDREN'S CENTRE**  
**(A Company Limited by Guarantee)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	16	<b>34,024</b>	<b>(41,079)</b>
<b>Cash flows from investing activities:</b>			
Investment income	5	2,180	1,676
Purchase of tangible fixed assets	12	<b>(17,354)</b>	<b>(3,047)</b>
<b>Net cash used in investing activities</b>		<b>(15,174)</b>	<b>(1,371)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>18,850</b>	<b>(42,450)</b>
Cash and cash equivalents brought forward		<b>381,841</b>	<b>424,291</b>
Cash and cash equivalents carried forward	17	<b>400,691</b>	<b>381,841</b>

The notes on pages 9 to 21 form part of these financial statements.

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**FELLOWSHIP HOUSE CHILDREN'S CENTRE**  
(A Company Limited by Guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1.1 General information**

Fellowship House Children's Centre is a company limited by guarantee and is registered with the Charity Commission (Charity Registered Number 1098746) and Registrar of Companies (Company Registration Number 04683961) in England and Wales.

In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity. The address of the registered office is given in the Charity information on page 1 of these financial statements.

The nature of the Charity's operations and principal activities are to advance the education of children below school age through nursery and playgroup facilities, principally in the London Borough of Newham.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

**1.2 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) as updated through Update Bulletin 1 and 2, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

Fellowship House Children's Centre meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in sterling which is the functional currency of the Charity and rounded to the nearest pound.

**1.3 Funds**

General funds are unrestricted funds which are available for use at the discretion of the Committee of Management in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Committee of Management for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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**FELLOWSHIP HOUSE CHILDREN'S CENTRE**  
(A Company Limited by Guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**1.4 Income recognition**

All incoming resources are included in the Statement of Financial Activities (SoFA) when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the Charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfillment of those conditions is within the control of the Charity and it is probable that they will be fulfilled.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the Charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The Charity receives government grants in respect of furthering its charitable objectives. Income from government and other grants are recognised at fair value when the Charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

**1.5 Expenditure recognition**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes costs incurred seeking voluntary contributions through donations, and the running of fundraising events during the year;
- Expenditure on charitable activities includes all costs incurred on furthering the objects of the Charity; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

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**FELLOWSHIP HOUSE CHILDREN'S CENTRE**  
(A Company Limited by Guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**1.6 Support cost allocation**

Support costs are those that assist the work of the Charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the Charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to expenditure on raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Governance costs are those incurred in connection with the running of the Charity and compliance with constitutional and statutory requirements.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

The analysis of these costs is included in Note 8.

**1.7 Tangible fixed assets**

All assets costing more than £1,000 are capitalised.

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Short-term leasehold property	-	Over the period of the lease
Centre equipment	-	25% on depreciated value brought forward

**1.8 Debtors and creditors receivable / payable within one year**

Debtors are recognised when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Creditors are recognised when the Charity has a present legal or constructive obligation resulting from a past event and the settlement is expected to result in an outflow of economic benefits.



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**1.9 Financial instruments**

The Charity does not have a material holding in complex financial instruments. The Charity only holds basic Financial Instruments. The financial assets and financial liabilities of the Charity are as follows:

Debtors – fees receivable and accrued income are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 13. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Liabilities – trade creditors, accruals and other creditors will be classified as financial instruments, and are measured at amortised cost as detailed in Note 14.

**1.10 Leases**

Rentals payable and receivable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

**1.11 Employee Benefits**

When employees have rendered service to the Charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The Charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

**1.12 Tax**

The Charity is an exempt Charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. It therefore does not suffer tax on income or gains applied for charitable purposes.

**1.13 Going concern**

The financial statements have been prepared on a going concern basis as the Committee of Management believe that no material uncertainties exist. The Committee of Management have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the Charity to be able to continue as a going concern.

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**FELLOWSHIP HOUSE CHILDREN'S CENTRE**  
(A Company Limited by Guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**1.14 Critical accounting estimates and areas of judgment**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- Allocation of support costs
- Depreciation rates for tangible fixed assets
- Useful economic lives of assets

**2. INCOME FROM DONATIONS AND GRANTS**

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
London Borough of Newham - vouchers and grants	134,889	134,889	97,579
Donations	3,671	3,671	3,624
	<hr/>	<hr/>	<hr/>
Total 2019	<b>138,560</b>	<b>138,560</b>	101,203
	<hr/>	<hr/>	<hr/>
Total 2018	101,203	101,203	
	<hr/>	<hr/>	<hr/>

There are no unfulfilled conditions or other contingencies attached to the government grants above.

**3. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Fees	439,083	439,083	407,262
	<hr/>	<hr/>	<hr/>
Total 2018	407,262	407,262	
	<hr/>	<hr/>	<hr/>

**FELLOWSHIP HOUSE CHILDREN'S CENTRE**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**4. INCOME FROM TRADING ACTIVITIES - RAISING FUNDS**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Photographs	347	347	140
Total 2018	140	140	

**5. INCOME FROM INVESTMENTS**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Bank interest receivable	2,180	2,180	1,676
Total 2018	1,676	1,676	

**6. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES**

	<b>Activities undertaken directly 2019 £</b>	<b>Support costs 2019 £</b>	<b>Total 2019 £</b>	<b>Total 2018 £</b>
Charitable activities	524,995	37,046	562,041	559,305
Total 2018	518,051	41,254	559,305	

Direct costs are analysed in Note 7.

Support costs are analysed in Note 8.

**FELLOWSHIP HOUSE CHILDREN'S CENTRE**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**7. DIRECT COSTS**

	<b>Charitable activities</b>	<b>Total 2019</b>	<b>Total 2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Training and courses	1,410	1,410	469
Accommodation	41,541	41,541	41,747
Toys and minor equipment	4,111	4,111	5,313
Food and milk	24,112	24,112	25,718
Outings	3,047	3,047	3,224
Activity consumables	3,655	3,655	4,612
Cleaning Services	5,811	5,811	-
Staff costs	441,308	441,308	436,968
<b>Total 2019</b>	<b>524,995</b>	<b>524,995</b>	<b>518,051</b>
<b>Total 2018</b>	<b>518,051</b>	<b>518,051</b>	

**8. SUPPORT COSTS**

	<b>Charitable activities</b>	<b>Total 2019</b>	<b>Total 2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Repairs and improvements	6,399	6,399	7,410
Telephone	1,721	1,721	1,594
Post, print and stationery	703	703	1,890
Subscriptions	2,014	2,014	1,055
Waste collection	4,024	4,024	3,697
Insurance	2,353	2,353	2,153
Bad debts	(7,248)	(7,248)	7,776
Payroll fees	4,527	4,527	4,014
General expenses	11,779	11,779	4,761
Governance costs	3,420	3,420	3,300
Depreciation	7,354	7,354	3,604
<b>Total 2019</b>	<b>37,046</b>	<b>37,046</b>	<b>41,254</b>
<b>Total 2018</b>	<b>41,254</b>	<b>41,254</b>	

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**FELLOWSHIP HOUSE CHILDREN'S CENTRE**  
(A Company Limited by Guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**9. NET INCOME/(EXPENDITURE) FOR THE YEAR**

This is stated after charging:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets:		
- owned by the Charity	<b>7,354</b>	3,604
Independent Examiners' remuneration - Independent Examination of the financial statements	<b>2,160</b>	2,100
Independent Examiners' remuneration - Accountancy and other services	<b>1,200</b>	1,200
Operating lease rentals	<b>25,000</b>	25,000
	<u><b>25,000</b></u>	<u>25,000</u>

**10. TRUSTEES' AND KEY MANAGEMENT PERSONNEL REMUNERATION AND EXPENSES**

The Committee of Management received no remuneration during the year (2018: £NIL).

The total amount of employee benefits received by Key Management Personnel is £106,588 (2018: £82,051). The Charity considers its Key Management Personnel comprise;

- Committee of Management
- Finance Manager
- Chief Executive Officer

The Committee of Management did not have any expenses reimbursed during the year (2018: £NIL).

**FELLOWSHIP HOUSE CHILDREN'S CENTRE**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**11. STAFF COSTS AND EMPLOYEE BENEFITS**

Staff costs were as follows:

	2019 £	2018 £
Wages and salaries	406,464	406,554
Social security costs	24,901	21,128
Pension costs	9,943	9,286
	<u>441,308</u>	<u>436,968</u>

The average number of persons employed by the Charity during the year was as follows:

	2019 No.	2018 No.
Project staff - nursery	20	17
Administration	4	4
	<u>24</u>	<u>21</u>

No employee received remuneration amounting to more than £60,000 in either year.

**12. TANGIBLE FIXED ASSETS**

	Leasehold improve- ments £	Centre equipment £	Total £
<b>Cost</b>			
At 1 April 2018	22,793	49,923	72,716
Additions	-	17,354	17,354
Disposals	-	(4,291)	(4,291)
At 31 March 2019	<u>22,793</u>	<u>62,986</u>	<u>85,779</u>
<b>Depreciation</b>			
At 1 April 2018	20,448	41,874	62,322
Charge for the year	1,000	6,354	7,354
On disposals	-	(4,291)	(4,291)
At 31 March 2019	<u>21,448</u>	<u>43,937</u>	<u>65,385</u>
<b>Net book value</b>			
At 31 March 2019	<u>1,345</u>	<u>19,049</u>	<u>20,394</u>
At 31 March 2018	<u>2,345</u>	<u>8,049</u>	<u>10,394</u>



**FELLOWSHIP HOUSE CHILDREN'S CENTRE**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**13. DEBTORS**

	2019 £	2018 £
Fees receivable (net of bad debt provision)	3,794	4,240
Accrued income	844	4,552
	<u>4,638</u>	<u>8,792</u>

**14. CREDITORS: Amounts falling due within one year**

	2019 £	2018 £
Payments received on account	675	675
Trade creditors	22,035	10,461
Other creditors	3,847	2,914
Accruals and deferred income	3,360	3,300
	<u>29,917</u>	<u>23,350</u>

**15. STATEMENT OF FUNDS**

**STATEMENT OF FUNDS - CURRENT YEAR**

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2019 £
<b>Designated funds</b>					
Building reserve	10,000	-	-	-	10,000
Special needs - other	30,000	-	-	-	30,000
Garden improvements	17,000	-	-	-	17,000
Staffing reserve	48,000	-	-	-	48,000
Subsidy reserve	2,000	-	-	-	2,000
Fixed assets reserve	10,394	-	(7,354)	17,354	20,394
	<u>117,394</u>	<u>-</u>	<u>(7,354)</u>	<u>17,354</u>	<u>127,394</u>
<b>General funds</b>					
General funds	260,283	580,170	(554,687)	(17,354)	268,412
Total Unrestricted funds	<u>377,677</u>	<u>580,170</u>	<u>(562,041)</u>	<u>-</u>	<u>395,806</u>
Total of funds	<u>377,677</u>	<u>580,170</u>	<u>(562,041)</u>	<u>-</u>	<u>395,806</u>

**FELLOWSHIP HOUSE CHILDREN'S CENTRE**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**15. STATEMENT OF FUNDS (continued)**

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2018 £
<b>Designated funds</b>					
Building reserve	10,000	-	-	-	10,000
Special needs - other	30,000	-	-	-	30,000
Garden improvements	17,000	-	-	-	17,000
Staffing reserve	48,000	-	-	-	48,000
Subsidy reserve	2,000	-	-	-	2,000
Fixed assets reserve	11,639	-	(3,604)	2,359	10,394
	<u>118,639</u>	<u>-</u>	<u>(3,604)</u>	<u>2,359</u>	<u>117,394</u>
<b>General funds</b>					
General Funds	308,062	510,281	(555,701)	(2,359)	260,283
<b>Total Unrestricted funds</b>	<u>426,701</u>	<u>510,281</u>	<u>(559,305)</u>	<u>-</u>	<u>377,677</u>
<b>Total of funds</b>	<u>426,701</u>	<u>510,281</u>	<u>(559,305)</u>	<u>-</u>	<u>377,677</u>

**Designated Funds**

The Building reserve was created to finance the expansion of the building and maintenance.

The Centre has planned to enhance its facilities for children with special needs and the Special needs - other reserve has been created to fund both the capital and initial revenue costs which are anticipated.

The Garden improvements reserve has been left unchanged as there are no works currently being undertaken.

The Staffing reserve aims to contribute towards maternity, sickness and redundancy costs that may not be covered by grant and increased from time to time and includes anticipated maternity costs.

The Subsidy reserve remains at the same level as previous years and is available to subsidise children's fees under special circumstances.

The Fixed Assets depreciation reserve matches the net book value of assets purchased from unrestricted funds.

**FELLOWSHIP HOUSE CHILDREN'S CENTRE**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**16. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2019 £	2018 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	18,129	(49,024)
Adjustment for:		
Depreciation charges	7,354	3,604
Investment income	(2,180)	(1,676)
Loss on the sale of fixed assets	-	688
Decrease in debtors	4,154	3,897
Increase in creditors	6,567	1,432
Net cash provided by/(used in) operating activities	<u>34,024</u>	<u>(41,079)</u>

**17. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2019 £	2018 £
Cash in hand	400,691	381,841
Total	<u>400,691</u>	<u>381,841</u>

**18. PENSION COMMITMENTS**

The Charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £9,943 (2018: £9,286). There were no outstanding contributions at the year end.

**19. OPERATING LEASE COMMITMENTS**

At 31 March 2019 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
Amounts payable:		
Within 1 year	25,000	25,000
Between 1 and 5 years	62,500	87,500
Total	<u>87,500</u>	<u>112,500</u>

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**FELLOWSHIP HOUSE CHILDREN'S CENTRE**  
(A Company Limited by Guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**20. RELATED PARTY TRANSACTIONS**

There are were no related party transactions during the year (2018: £NIL).

Three members of staff are on the Committee of Management as staff representatives but do not participate in matters involving pay and conditions.

The Reverend Dr Susan J Lucas served on the Committee of Management during the year representing the church on whose premises the Centre is situated. She did not receive a personal benefit from her position.

No member of the Committee of Management had an interest in any contract of the Charity except as parents of children attending the Centre, and on similar terms to other parent.

**21. LOCAL GOVERNMENT AND HOUSING ACT 1989**

The Charity received financial assistance from its Local Authority. As required by the Local Government and Housing Act 1989 the following information is given.

London Borough of Newham has provided the Nursery Education Grant (NEG) for pre-school children £138,882 (2018: £93,583). The grant was unrestricted but expended on children's food and staff wages.

**FELLOWSHIP HOUSE CHILDREN'S CENTRE**  
**(A Company Limited by Guarantee)**

**UNAUDITED**

**COMMITTEE OF MANAGEMENT'S REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2019**

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**FELLOWSHIP HOUSE CHILDREN'S CENTRE**  
**(A Company Limited by Guarantee)**

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**FELLOWSHIP HOUSE CHILDREN'S CENTRE**  
(A Company Limited by Guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**Committee of  
Management**

Riaz Patel, Chair (appointed 6 December 2018)  
Reshma Ahmed  
Kassandra Manyasa  
Farzana Zaman, Staff Rep  
David Da Costa, Treasurer  
Else Freston  
Lynsey Healy, Parent Rep (appointed 6 December 2018)  
Lauianne Torres-Decenne, Secretary (appointed 6 December 2018)  
Linda Alex Armitage (appointed 6 December 2018)  
Sylvia Malo  
Lubomir Malo  
Christoph Hoffman (appointed 6 December 2018)  
Revd Dr Sue Lucas, Church Rep

**Company registered  
number**

04683961

**Charity registered  
number**

1098746

**Principal and registered  
office**

4a St. Bartholomew's Road  
East Ham  
London  
E6 3AG

**Company secretary**

Lauianne Torres-Decenne

**Chief executive officer**

Reshma Ahmed

**Independent Examiner**

MHA MacIntyre Hudson  
Chartered Accountants  
6th Floor  
2 London Wall Place  
London  
EC2Y 5AU

**Bankers**

Barclays Bank PLC  
737 Barking Road  
London  
E13 9PL

Virgin Money  
Gosforth  
Newcastle Upon Tyne  
NE3 4PL

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**FELLOWSHIP HOUSE CHILDREN'S CENTRE**  
(A Company Limited by Guarantee)

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**CHAIRS' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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The chairman presents his statement for the period.

Fellowship House Children's Centre has had wonderful year as a children's centre and organisation. The improvements carried out over the past year has helped with the finance.

The nursery has moved a step closer in trying to achieve the London Living Wage for all its front-line staff. We hope to achieve our target for March 2020. For the nursery to achieve its goal, the nursery fees had to increase in March 2019 where the new committee with the nursery management worked out a method which will enable the children's fee and staff salary to be easily understood and making it much more transparent. The staff now get paid a salary which encourages them to work for Fellowship House as well as the children's fee being competitive with other nurseries in the local area. The reaction to this has been encouraging, where we have an increased interest from parents wanting their children to be part of Fellowship House.

The committee are working hard behind the scenes to improve the centre; refurbishment of the children's washroom has been carried out, new gates have been installed in the garden, a new cleaning company have been employed, a new camera system installed, sign-in facilities for the staff installed and the committee intend to carry out further work by the end of 2019.

The nursery management have been in transition where the long-term finance manager Else Freston is to retire, she has been working tremendously hard to pass on her expertise to deputy manager Kassandra Manyusa. As a collective, the committee and nursery management are working with the parents to improve the curriculum, policies, procedures, security, health and safety and other areas to ensure the children get the best education and start to life.

The committee alongside the nursery management are setting targets for the next few years to ensure the finance is improved as well as making FHCC a first-choice nursery for parents, children and staff.

Name Riaz Patel  
Chair



Date 16-12-2019

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**FELLOWSHIP HOUSE CHILDREN'S CENTRE**  
(A company limited by guarantee)

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**COMMITTEE OF MANAGEMENTS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2019**

---

The Trustee presents its annual report and financial statements of the charity for the year ended 31 March 2019. The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the Charity's Trust Deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) as updated through Update Bulletin 1 and 2.

**STRUCTURE, GOVERNANCE MANAGEMENT**

● **Constitution**

The charity is registered as a charitable Company limited by guarantee and was set up by a Memorandum of Association on 3 March 2003.

● **Method of appointment**

The management of the Charity is the responsibility of the Committee of Management who are elected and co-opted under the terms of the Articles of Association.

The members of the Committee of Management are appointed by the membership at the Annual General Meeting or co-opted between meetings. Serving members retire at the Annual General Meeting but are eligible for re-election.

The liability of members in the event of insolvent liquidation is limited to £1 each.

Day to day management of the charity is delegated to the Chief Executive who is responsible for the other staff.

● **Risk management**

The Committee of Management has assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

In particular the Committee is trying to mitigate the risk of under capacity, due to increased competition from private day care providers and schools offering children places at the age of three, by developing effective marketing strategies.

**OBJECTIVES AND ACTIVITIES**

The principle objects of the Charity are to advance the education of children below school age through nursery and playgroup facilities, principally in the London Borough of Newham.

● **Achievements and performance**

Fellowship House Children's Centre has had another successful year of delivering outstanding childcare and education for under 5's. The ground floor of the building is still fully occupied by the Nursery. The pension scheme is now fully up and running. The nursery makes a 3% contribution and staff members make a 4% contribution.

The nursery now pays for DBS checks that are carried out for all committee members.

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**FELLOWSHIP HOUSE CHILDREN'S CENTRE**  
(A company limited by guarantee)

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**COMMITTEE OF MANAGEMENTS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2019**

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• **Going concern**

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

• **Public benefit statement**

In setting objectives and planning for activities, the Committee of Management have given due consideration to general guidance published by the Charity Commission relating to public benefit.

**Financial review**

• **Reserves policy**

The Committee of Management has formulated a policy whereby in the long term general reserves held by the Charity should cover six months costs. This currently equates to approximately £280,000 (2018: £280,000) and would enable activities to continue in the short term should funding drop significantly.

At present the free reserves of £375,412 (2018: £367,283) substantially exceeds this target. However the Committee are aiming to increase staff salaries to bring in line with the new living wage as soon as possible. In calculating free reserves the Committee has excluded the restricted reserves and the designated reserves that represents fixed assets or reserves likely to be expended in full or in part within one year.

**PLANS FOR THE FUTURE**

The Committee envisages the activities to continue in a similar way to those as at present for the foreseeable future.

**MEMBERS' LIABILITY**

The Members of the Charity guarantee to contribute an amount not exceeding £1 to the assets of the Charity in the event of winding up.

**INDEPENDENT EXAMINER**

The Charity's independent examiner, Chris Harris of MHA Macintyre Hudson, has indicated his willingness to continue in office and offers himself for re-appointment at the next Annual General Meeting.

In preparing this report, the Committee of Management have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Committee of Management on <sup>16</sup>25/12/19 and signed on their behalf by:



.....  
**Riaz Patel**  
Chair



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**FELLOWSHIP HOUSE CHILDREN'S CENTRE**  
(A Company Limited by Guarantee)

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**INDEPENDENT EXAMINER'S REPORT  
FOR THE YEAR ENDED 31 MARCH 2019**

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**INDEPENDENT EXAMINER'S REPORT TO THE COMMITTEE OF MANAGEMENT OF FELLOWSHIP  
HOUSE CHILDREN'S CENTRE (the 'Charity')**

I report to the charity Committee of Management on my examination of the accounts of the Charity for the year ended 31 March 2019.

This report is made solely to the Charity's Committee of Management, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Charity's Committee of Management those matters I am required to state to them in an Independent Examiner's Report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Committee of Management as a body, for my work or for this report.

**RESPONSIBILITIES AND BASIS OF REPORT**

As the Committee of Management of the Charity (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Charity's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

**INDEPENDENT EXAMINER'S STATEMENT**

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Chartered Institute of Public Finance and Accountancy, which is one of the listed bodies.

I have completed my examination. I can confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Charity as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:



Dated:

23 December 2019

Chris Harris CPFA

MHA MacIntyre Hudson, 6th Floor, 2 London Wall Place, London, EC2Y 5AU

**FELLOWSHIP HOUSE CHILDREN'S CENTRE**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

	Note	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>INCOME FROM:</b>				
Donations and grants	2	138,560	138,560	101,203
Charitable activities	3	439,083	439,083	407,262
Other trading activities	4	347	347	140
Investments	5	2,180	2,180	1,676
<b>TOTAL INCOME</b>		<b>580,170</b>	<b>580,170</b>	<b>510,281</b>
<b>EXPENDITURE ON:</b>				
Charitable activities	6	562,041	562,041	559,305
<b>TOTAL EXPENDITURE</b>		<b>562,041</b>	<b>562,041</b>	<b>559,305</b>
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>18,129</b>	<b>18,129</b>	<b>(49,024)</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>18,129</b>	<b>18,129</b>	<b>(49,024)</b>
<b>RECONCILIATION OF FUNDS:</b>				
Total funds brought forward	15	377,677	377,677	426,701
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>395,806</b>	<b>395,806</b>	<b>377,677</b>

All income and expenditure derive from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised during the year.

In 2018 all income and expenditure was to / from unrestricted funds.

The notes on pages 9 to 21 form part of these financial statements.



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**FELLOWSHIP HOUSE CHILDREN'S CENTRE****(A Company Limited by Guarantee)****REGISTERED NUMBER: 04683961**

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**BALANCE SHEET  
AS AT 31 MARCH 2019**

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	Note	£	2019 £	£	2018 £
<b>FIXED ASSETS</b>					
Tangible assets	12		<b>20,394</b>		10,394
<b>CURRENT ASSETS</b>					
Debtors	13	4,638		8,792	
Cash at bank and in hand		400,691		381,841	
		<b>405,329</b>		<b>390,633</b>	
<b>CREDITORS:</b> amounts falling due within one year	14	(29,917)		(23,350)	
<b>NET CURRENT ASSETS</b>			<b>375,412</b>		367,283
<b>NET ASSETS</b>			<b>395,806</b>		<b>377,677</b>
<b>CHARITY FUNDS</b>					
Unrestricted funds	15		<b>395,806</b>		377,677
<b>TOTAL FUNDS</b>			<b>395,806</b>		<b>377,677</b>

The Charity's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The Committee of Management consider that the Charity is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the Charity to obtain an audit for the year in question in accordance with section 476 of the Act.

The Committee of Management acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the Committee of Management on 20/12/19 and signed on their behalf, by:

  
.....  
**Riaz Patel, Chair**

The notes on pages 9 to 21 form part of these financial statements.

**FELLOWSHIP HOUSE CHILDREN'S CENTRE**  
**(A Company Limited by Guarantee)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	16	<b>34,024</b>	<b>(41,079)</b>
<b>Cash flows from investing activities:</b>			
Investment income	5	2,180	1,676
Purchase of tangible fixed assets	12	<b>(17,354)</b>	<b>(3,047)</b>
<b>Net cash used in investing activities</b>		<b>(15,174)</b>	<b>(1,371)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>18,850</b>	<b>(42,450)</b>
Cash and cash equivalents brought forward		<b>381,841</b>	<b>424,291</b>
Cash and cash equivalents carried forward	17	<b>400,691</b>	<b>381,841</b>

The notes on pages 9 to 21 form part of these financial statements.

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**FELLOWSHIP HOUSE CHILDREN'S CENTRE**  
(A Company Limited by Guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1.1 General information**

Fellowship House Children's Centre is a company limited by guarantee and is registered with the Charity Commission (Charity Registered Number 1098746) and Registrar of Companies (Company Registration Number 04683961) in England and Wales.

In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity. The address of the registered office is given in the Charity information on page 1 of these financial statements.

The nature of the Charity's operations and principal activities are to advance the education of children below school age through nursery and playgroup facilities, principally in the London Borough of Newham.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

**1.2 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) as updated through Update Bulletin 1 and 2, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

Fellowship House Children's Centre meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in sterling which is the functional currency of the Charity and rounded to the nearest pound.

**1.3 Funds**

General funds are unrestricted funds which are available for use at the discretion of the Committee of Management in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Committee of Management for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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**FELLOWSHIP HOUSE CHILDREN'S CENTRE**  
(A Company Limited by Guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**1.4 Income recognition**

All incoming resources are included in the Statement of Financial Activities (SoFA) when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the Charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfillment of those conditions is within the control of the Charity and it is probable that they will be fulfilled.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the Charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The Charity receives government grants in respect of furthering its charitable objectives. Income from government and other grants are recognised at fair value when the Charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

**1.5 Expenditure recognition**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes costs incurred seeking voluntary contributions through donations, and the running of fundraising events during the year;
- Expenditure on charitable activities includes all costs incurred on furthering the objects of the Charity; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**1.6 Support cost allocation**

Support costs are those that assist the work of the Charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the Charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to expenditure on raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Governance costs are those incurred in connection with the running of the Charity and compliance with constitutional and statutory requirements.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

The analysis of these costs is included in Note 8.

**1.7 Tangible fixed assets**

All assets costing more than £1,000 are capitalised.

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Short-term leasehold property	-	Over the period of the lease
Centre equipment	-	25% on depreciated value brought forward

**1.8 Debtors and creditors receivable / payable within one year**

Debtors are recognised when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Creditors are recognised when the Charity has a present legal or constructive obligation resulting from a past event and the settlement is expected to result in an outflow of economic benefits.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**1.9 Financial instruments**

The Charity does not have a material holding in complex financial instruments. The Charity only holds basic Financial Instruments. The financial assets and financial liabilities of the Charity are as follows:

Debtors – fees receivable and accrued income are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 13. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Liabilities – trade creditors, accruals and other creditors will be classified as financial instruments, and are measured at amortised cost as detailed in Note 14.

**1.10 Leases**

Rentals payable and receivable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

**1.11 Employee Benefits**

When employees have rendered service to the Charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The Charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

**1.12 Tax**

The Charity is an exempt Charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. It therefore does not suffer tax on income or gains applied for charitable purposes.

**1.13 Going concern**

The financial statements have been prepared on a going concern basis as the Committee of Management believe that no material uncertainties exist. The Committee of Management have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the Charity to be able to continue as a going concern.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**1.14 Critical accounting estimates and areas of judgment**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- Allocation of support costs
- Depreciation rates for tangible fixed assets
- Useful economic lives of assets

**2. INCOME FROM DONATIONS AND GRANTS**

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
London Borough of Newham - vouchers and grants	134,889	134,889	97,579
Donations	3,671	3,671	3,624
	<hr/>	<hr/>	<hr/>
Total 2019	<b>138,560</b>	<b>138,560</b>	101,203
	<hr/>	<hr/>	<hr/>
Total 2018	101,203	101,203	
	<hr/>	<hr/>	<hr/>

There are no unfulfilled conditions or other contingencies attached to the government grants above.

**3. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Fees	439,083	439,083	407,262
	<hr/>	<hr/>	<hr/>
Total 2018	407,262	407,262	
	<hr/>	<hr/>	<hr/>

**FELLOWSHIP HOUSE CHILDREN'S CENTRE**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**4. INCOME FROM TRADING ACTIVITIES - RAISING FUNDS**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Photographs	347	347	140
	<u>          </u>	<u>          </u>	<u>          </u>
Total 2018	140	140	
	<u>          </u>	<u>          </u>	

**5. INCOME FROM INVESTMENTS**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Bank interest receivable	2,180	2,180	1,676
	<u>          </u>	<u>          </u>	<u>          </u>
Total 2018	1,676	1,676	
	<u>          </u>	<u>          </u>	

**6. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES**

	<b>Activities undertaken directly 2019 £</b>	<b>Support costs 2019 £</b>	<b>Total 2019 £</b>	<b>Total 2018 £</b>
Charitable activities	524,995	37,046	562,041	559,305
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total 2018	518,051	41,254	559,305	
	<u>          </u>	<u>          </u>	<u>          </u>	

Direct costs are analysed in Note 7.

Support costs are analysed in Note 8.



**FELLOWSHIP HOUSE CHILDREN'S CENTRE**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**7. DIRECT COSTS**

	<b>Charitable activities</b>	<b>Total 2019</b>	<b>Total 2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Training and courses	1,410	1,410	469
Accommodation	41,541	41,541	41,747
Toys and minor equipment	4,111	4,111	5,313
Food and milk	24,112	24,112	25,718
Outings	3,047	3,047	3,224
Activity consumables	3,655	3,655	4,612
Cleaning Services	5,811	5,811	-
Staff costs	441,308	441,308	436,968
<b>Total 2019</b>	<b>524,995</b>	<b>524,995</b>	<b>518,051</b>
<b>Total 2018</b>	<b>518,051</b>	<b>518,051</b>	

**8. SUPPORT COSTS**

	<b>Charitable activities</b>	<b>Total 2019</b>	<b>Total 2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Repairs and improvements	6,399	6,399	7,410
Telephone	1,721	1,721	1,594
Post, print and stationery	703	703	1,890
Subscriptions	2,014	2,014	1,055
Waste collection	4,024	4,024	3,697
Insurance	2,353	2,353	2,153
Bad debts	(7,248)	(7,248)	7,776
Payroll fees	4,527	4,527	4,014
General expenses	11,779	11,779	4,761
Governance costs	3,420	3,420	3,300
Depreciation	7,354	7,354	3,604
<b>Total 2019</b>	<b>37,046</b>	<b>37,046</b>	<b>41,254</b>
<b>Total 2018</b>	<b>41,254</b>	<b>41,254</b>	

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**FELLOWSHIP HOUSE CHILDREN'S CENTRE**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**9. NET INCOME/(EXPENDITURE) FOR THE YEAR**

This is stated after charging:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets:		
- owned by the Charity	7,354	3,604
Independent Examiners' remuneration - Independent Examination of the financial statements	2,160	2,100
Independent Examiners' remuneration - Accountancy and other services	1,200	1,200
Operating lease rentals	<u>25,000</u>	<u>25,000</u>

**10. TRUSTEES' AND KEY MANAGEMENT PERSONNEL REMUNERATION AND EXPENSES**

The Committee of Management received no remuneration during the year (2018: £NIL).

The total amount of employee benefits received by Key Management Personnel is £106,588 (2018: £82,051). The Charity considers its Key Management Personnel comprise;

- Committee of Management
- Finance Manager
- Chief Executive Officer

The Committee of Management did not have any expenses reimbursed during the year (2018: £NIL).

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**11. STAFF COSTS AND EMPLOYEE BENEFITS**

Staff costs were as follows:

	2019 £	2018 £
Wages and salaries	406,464	406,554
Social security costs	24,901	21,128
Pension costs	9,943	9,286
	<u>441,308</u>	<u>436,968</u>

The average number of persons employed by the Charity during the year was as follows:

	2019 No.	2018 No.
Project staff - nursery	20	17
Administration	4	4
	<u>24</u>	<u>21</u>

No employee received remuneration amounting to more than £60,000 in either year.

**12. TANGIBLE FIXED ASSETS**

	Leasehold improve- ments £	Centre equipment £	Total £
<b>Cost</b>			
At 1 April 2018	22,793	49,923	72,716
Additions	-	17,354	17,354
Disposals	-	(4,291)	(4,291)
At 31 March 2019	<u>22,793</u>	<u>62,986</u>	<u>85,779</u>
<b>Depreciation</b>			
At 1 April 2018	20,448	41,874	62,322
Charge for the year	1,000	6,354	7,354
On disposals	-	(4,291)	(4,291)
At 31 March 2019	<u>21,448</u>	<u>43,937</u>	<u>65,385</u>
<b>Net book value</b>			
At 31 March 2019	<u>1,345</u>	<u>19,049</u>	<u>20,394</u>
At 31 March 2018	<u>2,345</u>	<u>8,049</u>	<u>10,394</u>

**FELLOWSHIP HOUSE CHILDREN'S CENTRE**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**13. DEBTORS**

	2019 £	2018 £
Fees receivable (net of bad debt provision)	3,794	4,240
Accrued income	844	4,552
	<u>4,638</u>	<u>8,792</u>

**14. CREDITORS: Amounts falling due within one year**

	2019 £	2018 £
Payments received on account	675	675
Trade creditors	22,035	10,461
Other creditors	3,847	2,914
Accruals and deferred income	3,360	3,300
	<u>29,917</u>	<u>23,350</u>

**15. STATEMENT OF FUNDS**

**STATEMENT OF FUNDS - CURRENT YEAR**

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2019 £
<b>Designated funds</b>					
Building reserve	10,000	-	-	-	10,000
Special needs - other	30,000	-	-	-	30,000
Garden improvements	17,000	-	-	-	17,000
Staffing reserve	48,000	-	-	-	48,000
Subsidy reserve	2,000	-	-	-	2,000
Fixed assets reserve	10,394	-	(7,354)	17,354	20,394
	<u>117,394</u>	<u>-</u>	<u>(7,354)</u>	<u>17,354</u>	<u>127,394</u>
<b>General funds</b>					
General funds	260,283	580,170	(554,687)	(17,354)	268,412
Total Unrestricted funds	<u>377,677</u>	<u>580,170</u>	<u>(562,041)</u>	<u>-</u>	<u>395,806</u>
Total of funds	<u>377,677</u>	<u>580,170</u>	<u>(562,041)</u>	<u>-</u>	<u>395,806</u>

**FELLOWSHIP HOUSE CHILDREN'S CENTRE**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**15. STATEMENT OF FUNDS (continued)**

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2018 £
<b>Designated funds</b>					
Building reserve	10,000	-	-	-	10,000
Special needs - other	30,000	-	-	-	30,000
Garden improvements	17,000	-	-	-	17,000
Staffing reserve	48,000	-	-	-	48,000
Subsidy reserve	2,000	-	-	-	2,000
Fixed assets reserve	11,639	-	(3,604)	2,359	10,394
	<u>118,639</u>	<u>-</u>	<u>(3,604)</u>	<u>2,359</u>	<u>117,394</u>
<b>General funds</b>					
General Funds	308,062	510,281	(555,701)	(2,359)	260,283
<b>Total Unrestricted funds</b>	<u>426,701</u>	<u>510,281</u>	<u>(559,305)</u>	<u>-</u>	<u>377,677</u>
<b>Total of funds</b>	<u>426,701</u>	<u>510,281</u>	<u>(559,305)</u>	<u>-</u>	<u>377,677</u>

**Designated Funds**

The Building reserve was created to finance the expansion of the building and maintenance.

The Centre has planned to enhance its facilities for children with special needs and the Special needs - other reserve has been created to fund both the capital and initial revenue costs which are anticipated.

The Garden improvements reserve has been left unchanged as there are no works currently being undertaken.

The Staffing reserve aims to contribute towards maternity, sickness and redundancy costs that may not be covered by grant and increased from time to time and includes anticipated maternity costs.

The Subsidy reserve remains at the same level as previous years and is available to subsidise children's fees under special circumstances.

The Fixed Assets depreciation reserve matches the net book value of assets purchased from unrestricted funds.

**FELLOWSHIP HOUSE CHILDREN'S CENTRE**  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**16. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2019 £	2018 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	18,129	(49,024)
Adjustment for:		
Depreciation charges	7,354	3,604
Investment income	(2,180)	(1,676)
Loss on the sale of fixed assets	-	688
Decrease in debtors	4,154	3,897
Increase in creditors	6,567	1,432
Net cash provided by/(used in) operating activities	<u>34,024</u>	<u>(41,079)</u>

**17. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2019 £	2018 £
Cash in hand	400,691	381,841
Total	<u>400,691</u>	<u>381,841</u>

**18. PENSION COMMITMENTS**

The Charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £9,943 (2018: £9,286). There were no outstanding contributions at the year end.

**19. OPERATING LEASE COMMITMENTS**

At 31 March 2019 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
Amounts payable:		
Within 1 year	25,000	25,000
Between 1 and 5 years	62,500	87,500
Total	<u>87,500</u>	<u>112,500</u>

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**FELLOWSHIP HOUSE CHILDREN'S CENTRE**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**20. RELATED PARTY TRANSACTIONS**

There are were no related party transactions during the year (2018: £NIL).

Three members of staff are on the Committee of Management as staff representatives but do not participate in matters involving pay and conditions.

The Reverend Dr Susan J Lucas served on the Committee of Management during the year representing the church on whose premises the Centre is situated. She did not receive a personal benefit from her position.

No member of the Committee of Management had an interest in any contract of the Charity except as parents of children attending the Centre, and on similar terms to other parent.

**21. LOCAL GOVERNMENT AND HOUSING ACT 1989**

The Charity received financial assistance from its Local Authority. As required by the Local Government and Housing Act 1989 the following information is given.

London Borough of Newham has provided the Nursery Education Grant (NEG) for pre-school children £138,882 (2018: £93,583). The grant was unrestricted but expended on children's food and staff wages.